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are the statistics of birth, the number of live births having diminished in the Austrian Republic from 153,542 in 1913 to 87,594 in 1918. Of interest in this connection is a statement regarding prices, or the cost of living, best indicated perhaps by the actual price in heller of a kilogram (2.2 lbs.) of bread, the cost of which in the city of Vienna increased from 32 heller in 1914 to 476 by June, 1920. Even more startling is the increase in the price of a kilogram of flour, from 44 heller in 1914 to 1,120 in 1920. Yet these increases are insignificant when contrasted with the enormous rise in the price of lard, from 190 heller a kilogram in 1914 to 11,000 in 1920; of potatoes, from 24 heller in 1914 to 860 in 1920; of sugar, from 84 heller in 1914 to 4,200 in 1920; of roast beef, from 195 in 1914 to 9,800 in 1920; and finally, of pork, from 200 heller in 1914 to 15,000 heller per kilogram in 1920.

The number of unemployed persons, or persons seeking work, increased from 244,000 in 1918 to 648,000 in 1919. The number of persons receiving out-of-work allowances increased from 46,000 on December 1, 1918 to 87,000 on November 22, 1919, having attained to a maximum of 186,000 by May 1. In Vienna alone the number of persons out of work increased from 24,000 on December 1, 1918, to 73,000 on November 17, 1919.

The sick-fund statistics are available only for the year 1915, when 1,049,000 persons were insured, among whom there occurred 349,000 cases of sickness, involving a labor loss of 6,800,000 days and a mortality of 10,867. These sick funds had an income of 33,000,000 kronen, of which 21,000,000 was paid by the workmen, 9,399,000 by the employer, and the remainder from interest or other sources. The amount disbursed was 28,400,000 kronen, of which 11,000,000 was paid out in cash benefits, 6,000,000 for medical attention and control, 2,500,000 kronen for drugs, etc., 2,400,000 for institutional care, 924,000 kronen for funerals, and 4,200,000 for administration.

The foregoing is a brief resumé of what in the field of statistics must be considered an extraordinary achievement in view of the limitations of clerical help, the political disorganization, the want of funds, the cost of printing, etc., etc. Nothing, however, could more clearly emphasize the unhappy economic condition of the Austrian Republic while suggestive of the world's sympathy as the victim of imperial misrule and the sinister designs of the Prussian monarchy.

F. L. HOFFMAN

MEASURING THE BUYING POWER OF THE COMMUNITY

A Business Research meeting of the American Statistical Association was held at a dinner on February 18 at the Machinery Club in New York City. Ernest S. Bradford, who presided at the meeting, emphasized the general interest of this topic, and stated it to be the problem of business research to determine the amount of goods wanted at a particular place, as of a specified time, and how to get them there.

Dr. H. Parker Willis, discussing "Business Indices as a Factor in Measuring Buying Power," pointed out the importance of scientific method in business and the essential character of analysis of general business conditions. He explained briefly the indices which are being developed in the Federal Reserve Board at the present time, and which have a bearing on measurement of buying power, as follows:

- (1) General business activity in each Reserve District as reflected by certain statistics of bank transactions. Debits to individual accounts are telegraphed weekly to the Federal Reserve Board from 161 centers. The speaker gave the opinion that these figures are superior to clearing house data.

- (2) Retail trade activity as reflected from the voluntary monthly reports to the

Federal Reserve Board from about 200 department stores situated in various parts of the country.

(3) Variation in production and consumption as reflected by the physical volume of trade series, developed from reports of production, movements, or stocks on hand of certain staples in selected leading industries.

(4) A collection index, intended to show the rapidity of the turnover of funds. (For method, see article by W. H. Steiner in the December 1920 issue of the *AMERICAN STATISTICAL QUARTERLY*).

(5) Series on the movements in foreign trade, presenting separate indices for exports and imports.

Mr. Chester I. Barnard, director of research in the Ratemaking Department of the Bell System, discussed the methods of measuring future demand for telephones. Forecasts of the demand for residence telephones are based upon the relation between the demand for service and the standard of living. The latter is reflected in general by the mean rent of resident property. The racial and occupational composition of the population, and any other factors which contribute to fundamental changes in industry or the general make-up of the community, must be considered. This involves an estimate of the character of the population and the general standard of living, by small homogeneous areas, for a period of twenty years in the future. The object is to estimate (1) the number of telephones required in the future, for a period even twenty years hence, and (2) how this demand will be distributed by small local areas. This enables the company to locate properly the central office for a district and the main leads. Research work of this character has been going on in the American Telephone and Telegraph Company for years.

Mr. J. C. Luitweiler, of the American International Corporation, outlined the methods used by them in measuring the buying power for coffee. The problem was approached by basing future estimates upon past actual consumption and making allowance for the present curtailed buying power. The study was divided into three parts: (1) The general picture of coffee consumption in the United States and in foreign countries for a period of the past ten or twelve years; (2) estimate of the present buying power in comparison with past buying power; (3) the extent to which the present limited buying power will be devoted to the purchase of coffee.

Mr. W. H. Berridge, representing the Harvard Committee on Economic Research, discussed the relation of the condition of employment to the buying power of the labor group. A time series of unemployment was related to various other series of data and was regarded as indicative of changes in buying power.

Briefer discussion of the general topic was presented by Andrew H. Melville, director of research for the Nast Publications, who considered the subject from the standpoint of the magazine publishers, pointing out that their interest in measuring buying power centers around the selling of advertising space. Alice C. Boughton, director of research for the J. Walter Thompson Company, from the viewpoint of the advertising group, stated their primary interest to be securing purchasers for a particular product. Joseph E. Pogue, consulting engineer, pointed out the importance of the use of indices in comparing actual with potential performance, sales with sales possibilities; and in forecasting demand. The former is useful in checking past operations, the latter in planning ahead. T. K. Stevenson, sales statistician for the Western Electric Company, emphasized the importance of determining the portion of buying power which one could reasonably claim for himself, as distinguished from the measurement of total buying power. This will vary for different territories, depending upon competition and comparative contiguity to distributing warehouses.

In the general discussion from the floor emphasis was placed upon the importance of the time series in the control of business. In this manner the general trend of a business can be shown and especially the condition of the industry prevailing in time of depression. Few classes of industry fall more than 70 per cent below the normal. In a summary of the results of the discussion it was pointed out that faith in research is quite as important as imagination and technical equipment. Business must be willing to spend money for research whether the results be negative or positive. Statistical and economic prospecting is coming to be a very necessary function of a business organization.

R. E. CHADDOCK

FIRST FEDERAL CONFERENCE ON BUSINESS CONDITIONS REPORTING

On February 21-22 there was held under the auspices of the Division of Analysis and Research of the Federal Reserve Board, the first Federal Conference on Business Conditions Reporting, at the Hotel Washington, Washington, D. C.

The work of the conference was divided into two parts. On the first day representatives of each of the departments of the Federal Reserve Agents were present and various problems relating to the scope of the monthly review on business conditions which each Federal Reserve Bank prepares were discussed, as well as the experience of the banks with different methods of obtaining information presented in these reviews. The interchange of views which occurred resulted in making available to each bank the experiences of every other bank in connection with specific points which confront it, as well as indicating new lines of work that are being pursued in other banks and the results and difficulties in connection with such new lines of endeavor. Agreement was reached on some leading questions in connection with the preparation of the reviews, and a committee was appointed to carry on the work commenced at the conference.

On the second day there were also in attendance a number of leading business statisticians and men in academic circles interested in this type of work. It seemed desirable to obtain the opinions of "consumers" of data of this kind as to just what type of material was desirable and in what manner such material should be presented. To this end there were papers read, among others, by Professor M. T. Copeland, of Harvard University, on "The Importance of Securing Reliable Statistics on Business Conditions"; by Mr. Robert M. Falkenau, foreign trade representative of the Irving National Bank of New York, on "The Value of Work on Business Conditions to the Economic Advisers of Banks"; by Mr. F. Leslie Hayford, statistician of the General Motors Corporation, on the "Following of Business Conditions by the Corporation"; and by Mr. Carl Snyder, manager of the Statistics Department of the Federal Reserve Bank of New York, on "Interpretation of Reports on Business Conditions." General discussion was led by Professor Edmund E. Day of Harvard University. At the afternoon session it was planned to consider the actual methods employed in the preparation of certain statistical data relative to business conditions, in particular indicating the methods employed and the problems experienced by some of the Federal Reserve Banks. By thus indicating the work of the Federal Reserve System a better understanding of its efforts would be obtained, and even more complete coöperation than heretofore would be secured from the business community. The Honorable W. P. G. Harding, governor of the Federal Reserve Board, first addressed the conference on the subject of "Business and Banking," emphasizing the value of data on business conditions to the banking and the business community. The statistics on